Risk Evaluation Register (RER) 2023/24 Consultation Responses

Performance Assurance Board

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Classification	**Public**	Document version	**1.0**

Summary **This paper provides the Performance Assurance Board (PAB) with an overview of the feedback received on the Risk Evaluation Register (RER) 2023/24.**

1. Overview and approach

1.1 The PAB endorsed the Risk Evaluation Register (RER) 2023/24 (included in Attachments A and B) for industry consultation on 29 September 2022. As required by Section Z (5.5.3) of the Balancing and Settlement Code (BSC), Elexon published the RER on the Elexon website in October 2022, inviting BSC Parties and other interested parties to provide comments and feedback during the consultation period, which closed on 30 November 2022.

1.2 The RER is one of three key inputs[1] that feed into the Risk Operating Plan (ROP). When we create the ROP, we place emphasis on customer feedback to drive our focus. In order to achieve this, we require a large quantity and wide variety of feedback.

1.3 The feedback collated from the 2023/24 RER consultation will be used to create the ROP for 2023/24, which will be provided to the PAB in January 2023.

1.4 BSC Performance Assurance Parties (PAPs) and other interested parties were invited to complete the consultation to comment on which events (as identified in the RER) and Risks affected by each event, will most impact their operations in 2023/24 and subsequently hinder their ability to meet BSC obligations.

1.5 In order to encourage feedback via our consultation , we undertook the following actions:

- Engaged with BSC Parties and Party Agents via their Operational Support Managers (OSMs);
- Created a 5-minute-read RER summary paper and published it alongside the RER for those who did not have the time to read the RER in its entirety;
- Communicated to the industry via an Elexon Newscast and the Retail Energy Code (REC) bulletin; and
- Social media engagement.

2. Responses

2.1 We received a total of 9 Assurance Consultation responses from Market Participants and interested parties. The responses we received can be categorised as follows:

- Four Non Half Hourly Suppliers (NHHS)
- Three Half Hourly Suppliers (HHS)
- One Half Hourly Data Collector (HHDC)
- One Licensed Distribution System Operator (LDSO)
- One Interested Parties (IP)

2.2 The questions from the consultation along with their anonymised results and comments can be found in Attachment C to this paper.

[1] The Risk Assessments provided in the RER; feedback received from BSC Parties and other interested parties about areas of the market that are of concern; and the PAB Strategy and discussions held with the PAB during meetings throughout the year.

3. Results

3.1 The respondents to the Assurance Consultation were asked, for each identified Risk Event:

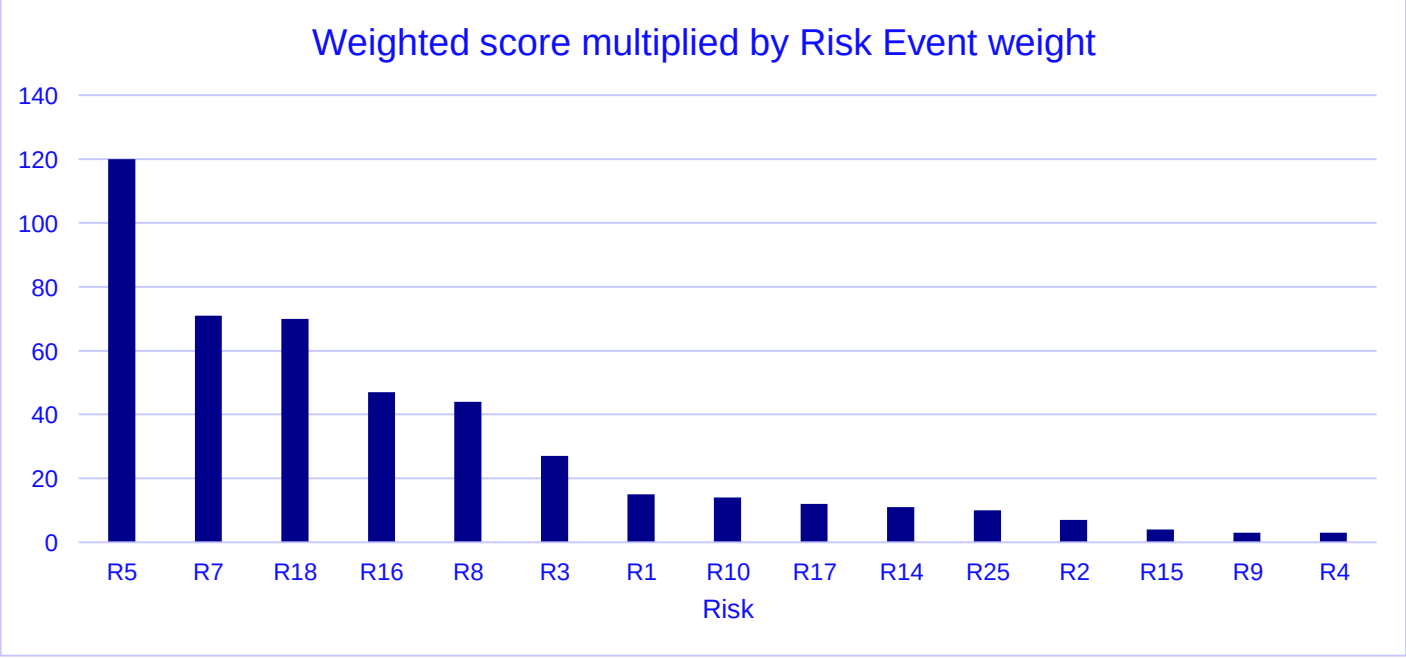
- Whether they predict that the identified Risk Event will have an impact on their operations in 2023/24; and
- To rank the Risks that are impacted by each event as the most impactful to their operations, second most impactful and third most impactful.

3.2 The table below shows the weighted score of each Risk Event and the subsequent weighting used in later calculation. The weighted scores are calculated by summing the number of times the Risk Event was identified as impacting party's operation in the consultation and multiplying by 3, 2 or 1, depending on how severely it was going to impact operations as ranked by the respondents in 1st 2nd or 3rd respectively. The CVA market errors Risk event has a weighted score of 0, this is because no response identified this in their top 3 Risk events likely to affect their operations in 2023/24.

Weight	Risk Event	Weighted Score
5	The increasing price of electricity	17
4	Metering System shortage	12
3	Market performance decline	11
2	Market-wide Half Hourly Settlement	7
N/a	None of the above	7
1	CVA market errors	0

Table 1

3.3 The graph below shows the Settlement Risks with the highest weighted scores identified through the SVA Consultation questions. The weighted scores for the Settlement Risks are calculated the same way as the weighted Risk Event scores and are then multiplied by the weight of the Risk Event the Settlement Risk was identified in.



Graph 1

4. Conclusions

4.1 Elexon will consider the feedback and reflect the thoughts of industry when creating the ROP 2023/24.

4.2 No amendments to the RER 2023/24 were required as a result of the consultation responses.

5. Recommendations

5.1 The PAB is invited to:

a) **NOTE** the feedback received on the Risk Evaluation Register; and

b) **APPROVE** the Risk Evaluation Register for 2023/24

Attachments

Attachment A – RER 2023/24

Attachment B – RER Ledger 2023/24

Attachment C – RER consultation results

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